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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

UNITED HEALTHCARE OF UTAH
2525 Lake Park Blvd.
West Valley City, UT 84120
Utah Org. Id. No.: 1452

**STIPULATION
&
ORDER**

2005-129 EX
DOCKET No. _____
Enf. Case No. 1713

STIPULATION

1. Respondent, United HealthCare of Utah, is an insurer domiciled and authorized to do business in the State of Utah, Utah Organization Identification No. 1452.
2. Respondent stipulates with the Complainant, Utah Insurance Department, as follows:
 - a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;
 - b. Respondent admits the Findings of Fact and Conclusions made therefrom;
 - c. Respondent stipulates to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and

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d. Respondent and Complainant have negotiated the terms of the Order entered herein and Respondent agrees to its entry and further agrees to be bound by all its terms.

3. Respondent is aware of its right to a hearing at which it may be represented by counsel, present evidence and cross-examine witnesses. Respondent has irrevocably waived its right to such hearing and to any appeal related thereto.

4. Respondent admits the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.

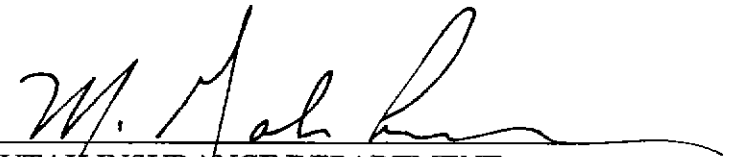
5. Respondent is acting herein free from any duress or coercion of any kind or nature, having been advised fully as to its rights set forth herein.

6. Respondent acknowledges that the issuance of this Order by the Commissioner is solely for the purpose of disposition of the matter entitled herein.

DATED this 16th day of December, 2005.



UNITED HEALTHCARE OF UTAH
Curt Howell, Executive Director



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon, Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. During a routine financial examination of Respondent as of December 31, 2004, conducted during the latter half of 2005, Respondent was found to have a majority of its directors residing outside of the State of Utah as of November 30, 2001, and continuing through the date of this administrative action.

2. Prior to electing a majority of its directors from outside of the State of Utah, Respondent did not satisfy the commissioner that the financial condition, management, and other circumstances gave assurance that the interests of insureds and the public would not be endangered by a majority being nonresidents.

3. In a letter dated August 23, 2005, Respondent submitted a request pursuant to Utah Code Annotated § 31A-5-407(2) to waive the requirement that a majority of the Company's directors be residents of the State of Utah.

4. Based upon the request and representations of the Respondent, the commissioner is satisfied that the Respondent's financial condition, management and other circumstances give assurance that the interest of insureds and the public will not be endangered by the majority of the board being nonresidents. This determination is subject to review by the commissioner at any time.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. In electing a majority of its directors that were nonresidents of the State of Utah prior to satisfying the commissioner that the interests of insureds and the public would not be endangered by a majority being nonresidents, Respondent violated Utah Code Annotated § 31A-5-507(2).

2. Pursuant to Utah Code Annotated § 31A-5-407(2), and based upon the determination of the commissioner, the Respondent should be granted a waiver from the requirement that a majority of its board of directors be residents of the State of Utah, subject to further review and determination that the grant of waiver is no longer in the interests of insureds and the public.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

ORDER

IT IS HEREBY ORDERED:

1. Respondent is assessed an administrative forfeiture in the amount of \$1,000.00 to be paid within 30 days of the date of this Order.

2. Respondent is hereby granted a waiver from the requirement under Utah Code Annotated § 31A-5-407(2) that a majority of its board of directors be residents of the State of Utah, effective January 1, 2005. Said waiver is subject to review to determine whether the board of directors has given adequate focus on compliance with the Utah Insurance Code and Rules and that the waiver remains in the interests of insureds and the public.

NOTIFICATION


Respondent is hereby notified that failure to abide by the terms of this Order may subject it to further penalties, including additional forfeitures of up to \$5,000.00 per violation and the suspension or revocation of its license, and the filing of an action to enforce this Order in the

District Court which may impose penalties of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

DATED this 23rd day of December, 2005.

D. KENT MICHIE
INSURANCE COMMISSIONER


MARK E. KLEINFELD, Esq
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone (801) 538-3800

CERTIFICATE OF MAILING

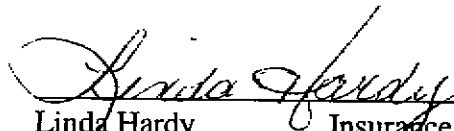
I do hereby certify that on this date I mailed, by regular mail, postage prepaid, a true and correct copy of the attached:

**STIPULATION
&
ORDER**

To the following:

***UNITED HEALTHCARE OF UTAH
2525 LAKE PARK BLVD.
WEST VALLEY CITY, UT 84120***

DATED this 27th day of December, 2005


Linda Hardy Insurance Technician
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901
(801) 538-3813